

1 AN ACT concerning State employee benefits.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The State Employees Group Insurance Act of
5 1971 is amended by changing Section 6 as follows:

6 (5 ILCS 375/6) (from Ch. 127, par. 526)

7 Sec. 6. Program of health benefits.

8 (a) The program of health benefits shall provide for
9 protection against the financial costs of health care
10 expenses incurred in and out of hospital including basic
11 hospital-surgical-medical coverages. The program shall
12 include coverage for hearing evaluations, hearing aids, and
13 the dispensing and fitting of hearing aids. The program may
14 include, but shall not be limited to, such supplemental
15 coverages as out-patient diagnostic X-ray and laboratory
16 expenses, prescription drugs, dental services and similar
17 group benefits as are now or may become available. However,
18 nothing in this Act shall be construed to permit, on or after
19 July 1, 1980, the non-contributory portion of any such
20 program to include the expenses of obtaining an abortion,
21 induced miscarriage or induced premature birth unless, in the
22 opinion of a physician, such procedures are necessary for the
23 preservation of the life of the woman seeking such treatment,
24 or except an induced premature birth intended to produce a
25 live viable child and such procedure is necessary for the
26 health of the mother or the unborn child. The program may
27 also include coverage for those who rely on treatment by
28 prayer or spiritual means alone for healing in accordance
29 with the tenets and practice of a recognized religious
30 denomination.

31 The program of health benefits shall be designed by the

1 Director (1) to provide a reasonable relationship between the
2 benefits to be included and the expected distribution of
3 expenses of each such type to be incurred by the covered
4 members and dependents, (2) to specify, as covered benefits
5 and as optional benefits, the medical services of
6 practitioners in all categories licensed under the Medical
7 Practice Act of 1987, (3) to include reasonable controls,
8 which may include deductible and co-insurance provisions,
9 applicable to some or all of the benefits, or a coordination
10 of benefits provision, to prevent or minimize unnecessary
11 utilization of the various hospital, surgical and medical
12 expenses to be provided and to provide reasonable assurance
13 of stability of the program, and (4) to provide benefits to
14 the extent possible to members throughout the State, wherever
15 located, on an equitable basis. Notwithstanding any other
16 provision of this Section or Act, for all members or
17 dependents who are eligible for benefits under Social
18 Security or the Railroad Retirement system or who had
19 sufficient Medicare-covered government employment, the
20 Department shall reduce benefits which would otherwise be
21 paid by Medicare, by the amount of benefits for which the
22 member or dependents are eligible under Medicare, except that
23 such reduction in benefits shall apply only to those members
24 or dependents who (1) first become eligible for such medicare
25 coverage on or after the effective date of this amendatory
26 Act of 1992; or (2) are Medicare-eligible members or
27 dependents of a local government unit which began
28 participation in the program on or after July 1, 1992; or (3)
29 remain eligible for but no longer receive Medicare coverage
30 which they had been receiving on or after the effective date
31 of this amendatory Act of 1992.

32 Notwithstanding any other provisions of this Act, where a
33 covered member or dependents are eligible for benefits under
34 the federal Medicare health insurance program (Title XVIII of

1 the Social Security Act as added by Public Law 89-97, 89th
2 Congress), benefits paid under the State of Illinois program
3 or plan will be reduced by the amount of benefits paid by
4 Medicare. For members or dependents who are eligible for
5 benefits under Social Security or the Railroad Retirement
6 system or who had sufficient Medicare-covered government
7 employment, benefits shall be reduced by the amount for which
8 the member or dependent is eligible under Medicare, except
9 that such reduction in benefits shall apply only to those
10 members or dependents who (1) first become eligible for such
11 Medicare coverage on or after the effective date of this
12 amendatory Act of 1992; or (2) are Medicare-eligible members
13 or dependents of a local government unit which began
14 participation in the program on or after July 1, 1992; or (3)
15 remain eligible for, but no longer receive Medicare coverage
16 which they had been receiving on or after the effective date
17 of this amendatory Act of 1992. Premiums may be adjusted,
18 where applicable, to an amount deemed by the Director to be
19 reasonably consistent with any reduction of benefits.

20 (b) A member, not otherwise covered by this Act, who has
21 retired as a participating member under Article 2 of the
22 Illinois Pension Code but is ineligible for the retirement
23 annuity under Section 2-119 of the Illinois Pension Code,
24 shall pay the premiums for coverage, not exceeding the amount
25 paid by the State for the non-contributory coverage for other
26 members, under the group health benefits program under this
27 Act. The Director shall determine the premiums to be paid by
28 a member under this subsection (b).

29 (Source: P.A. 91-390, eff. 7-30-99.)

30 Section 99. Effective date. This Act takes effect on
31 July 1, 2003.